

Minutes are Subject to Correction and Approval

The Marquette County Board of Commissioners met as a Committee of the Whole on Tuesday, June 22, 2010, at 6:00 P.M., in Room 231 of the Henry A. Skewis Annex, 234 W. Baraga Avenue, Marquette, Michigan.

Chairperson Corkin called the meeting to order. Present: Comm. Arsenault, Comm. Bergdahl, Comm. Cihak, Comm. Heikkila, Comm. Joseph, Comm. Pellow, and Chairperson Corkin. Absent and Excused: Comm. Struck and Comm. Wallace.

It was moved by Comm. Cihak, seconded by Comm. Heikkila, and unanimously carried by a voice vote that the minutes of the Committee of the Whole Meeting held on June 8, 2010 be approved.

It was moved by Comm. Pellow, seconded by Comm. Cihak, and unanimously carried by voice vote that the Agenda be approved as presented.

Chairperson Corkin opened the meeting for public comment. None was forthcoming.

It was moved by Comm. Arsenault, seconded by Comm. Bergdahl, and unanimously carried by voice vote that Claims and Accounts for the Period June 11, 2010 through June 17, 2010, in the amount of \$557,121.94, and Bi-Weekly Payroll for the Period ending June 12, 2010, in the amount of \$680,433.20, be approved.

Chairperson Corkin opened the meeting for public comment. None was forthcoming.

The Committee was presented with the 2009 Audit by Mike Greutz, Anderson, Tackman & Company. A complete copy of the Audit Report was distributed. Mr. Greutz provided information in the form of graphs and tables to use in conjunction with the Audit Report Presentation. He explained that professional standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

In the opinion of Anderson, Tackman & Company, based on their audit and report of other auditors, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, for the year in conformity with accounting principles. They have also reported on the internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters.

Professional standards require that all known and likely misstatements identified during the audit, other than those that are trivial, be communicated to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Mr. Greutz explained significant deficiencies and instances of non-compliance as reported in the Audit. County staff is currently working to correct any deficiencies or instances of non-compliance.

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Commissioners thanked Mr. Grentz for the presentation of the 2009 Audit. They commended Staff, Department Managers and Elected Officials for their efforts and discipline in managing their budgets.

It was moved by Comm. Arsenault, seconded by Comm. Cihak, and unanimously carried by voice vote, that the 2009 Audit be accepted and placed on file and any deficiencies and instances of non-compliance be corrected.

The Committee considered a County option to purchase properties for the Land Bank Authority (LBA). Anne Giroux, County Treasurer, was present and explained that the Treasurer has foreclosed on 28 properties on April 1, 2010. Of those properties, the LBA has an interest in acquiring 13. Ms. Giroux distributed information on the 13 properties.

She also explained that per MCL 211.78m(1) "...the county in which that property is located may purchase that property under this section by payment to the foreclosing governmental unit of the minimum bid." The foreclosing governmental unit is the County Treasurer. The minimum bid is the delinquent taxes and penalties owing and is due the delinquent tax fund.

The LBA is requesting that the County Board of Commissioners exercise its option under MCL 211.78m to purchase the 13 tax foreclosed properties for a total minimum bid amount of \$75,546, and transfer these properties to the LBA. The suggested source of funding for this purchase is the County Treasurer's Foreclosure Fund, which would be paid back when properties are sold by the LBA. The Foreclosure fund has a current fund balance of \$437,000. The expected proceeds from the sale of these properties in 2010 are approximately \$125,000. It is expected that the Foreclosure fund would be paid back in full in the current fiscal year (by 12/31/10).

The County Treasurer provided a further explanation and description of Land Bank projects, and also provided alternatives to Land Bank Acquisition. She also explained interest expressed by Habitat for Humanity in acquiring and building on these properties. Ms. Giroux recommends the Board exercise the county option under MCL 211.78m. Discussion followed.

Comm. Heikkila expressed concerns regarding costs of demolition of the school building in Ishpeming Township. Ms. Giroux explained that a Brownfield status could assist with these costs.

It was moved by Comm. Cihak, seconded by Comm. Arsenault, and unanimously carried by voice vote that the Committee of the Whole recommend the County Board exercise the county option under MCL 211.78m to purchase the 13 tax foreclosed properties identified for a total minimum bid amount of \$75,546, and transfer these properties to the LBA, and further that funding for the purchase come from the County Treasurer's Foreclosure Fund, which will be paid back when properties are sold by the LBA.

The Committee considered a Resolution of Notice of Intent to create a County-wide Brownfield Redevelopment Authority. Anne Giroux, County Treasurer, explained that the Notice of Intent provides for a public hearing to be held on August 3, 2010 at which time the Board will consider a resolution to establish a County-wide Brownfield Redevelopment Authority, along with appointing members to the Authority.

Public Act 381 of 1996 allows municipalities, including counties, to create Brownfield Redevelopment Authorities. Brownfield incentives can help spur redevelopment of underutilized properties and stimulate private investment. Contaminated, blighted, and functionally obsolete properties are all eligible for Brownfield incentives. Such properties can be included in a Brownfield Plan, which must be approved by both the

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Brownfield Authority and the local unit of government in which the property is located. Once a plan is approved, the site can be cleaned up, the cost of which is covered through future tax capture. As of April 2010 there were 287 Brownfield Authorities in Michigan, of which 58 are county-wide authorities.

Several local units of government within Marquette County have already established local Brownfield Authorities (City of Ishpeming, City of Marquette, Republic Township, and Negaunee Township). The creation of a county-wide authority does not impact already established Brownfield authorities, and does not preclude local units from creating their own authorities in the future.

Many local units who do not have an established Brownfield Authority have expressed an interest in a County-wide authority. A County-wide authority could provide a valuable resource to these smaller local units that may not have the time, money or expertise to invest in the creation of their own authority.

The Marquette County Land Bank Authority supports the establishment of a county-wide authority to assist in the demolition and clean up of current and future tax-foreclosed properties. The Lake Superior Community Partnership has been speaking to local units about, and promoting the concept of a county-wide Brownfield to provide the necessary tools for economic development opportunities.

Ms. Giroux also explained the process to create a County-wide Redevelopment Authority and the Brownfield Authority Operation. She recommends the County Board adopt the Resolution of Intent.

It was moved by Comm. Pellow, seconded by Comm. Arsenault, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board adopt the Resolution of Intent to Create and Provide for the Operation of a Brownfield Redevelopment Authority for the County of Marquette, and further that \$20,000 be utilized of excess land sales proceeds available for transfer to the general fund per the County Treasurer's May 4, 2010 report.

The Committee considered Telkite Agreements. Steve Powers, County Administrator, Scott Erbsch, Sawyer Operations Manager, Harley Andrews, Chief Civil Counsel/Sawyer, and Vikki Kulju, Telkite Executive Director, were present and distributed a memo summarizing three agreements between Telkite and Marquette County. It was explained that on August 7, 2010, this Board unanimously approved a "Sawyer Exit Strategy" prepared and submitted by staff which outlined a course of action by which the County could significantly reduce its role as a property owner and developer at Sawyer. In part, that strategy called for the County to divest itself of all Sawyer properties that were not considered essential to generating revenue for the support of the airport, the retention and ongoing maintenance of which would create a drain on limited County resources.

Subsequent efforts to implement that strategy involved discussions and negotiations with several private section developers and individuals, with the County ultimately deciding to enter into several contractual relationships with Telkite Inc., (subsequently assigned to Telkike Enterprises, LLC).

Those contracts as they now exist are: 1) Agreement for Sale, Purchase, Lease and Development of Real Estate, effective January 21, 2004, as amended by the First Amendment to Agreement for Sale, Purchase, Lease and Development of Real Estate, effective June 1, 2005; 2) Exclusive Marketing Agreement, effective June 1, 2005; 3) Agreement for Sale and Purchase of EDC Raw Land Parcels, effective June 1, 2005.

An explanation of the Agreements, the Current status of the above Agreements, the Issues and a Staff Analysis of the Issues Presented were provided along with a recommendation.

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Administrator Powers pointed out that it is the Agreement for Sale and Purchase of EDC Raw Land Parcels that Telkite has been unable to comply with and has requested an extension. The County has requested, and Telkite has agreed, to reduce the County's commitment to the marketing funds that are being paid to Telkite to help market Sawyer Airport. Discussion followed.

Commissioners thanked and commended Telkite for their performance at Sawyer. Comm. Cihak stated that Telkite, overall, has done a tremendous job working with Marquette County.

It was moved by Comm. Arsenault, seconded by Comm. Pellow, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve the Staff recommendation as follows:

- 1.) Amend the Raw Land Purchase Agreement as requested by Telkite to extend the deadline by which is must complete purchase of all EDC Raw Land to not later than June 1, 2015, *contingent upon*
- 2.) Amending the Marketing Agreement to provide that the County will allocate an amount not to exceed \$50,000 per year for each of the next five years for marketing expenses relating to the County owned ALP buildings and raw land. Obviously, this allocation could be amended during any given year if there is some activity or event that reasonable requires additional funding, such as the loss of a major existing tenant or a potential new tenant that requires extraordinary marketing efforts; and
- 3.) Authorize the Board Chair to execute the documents necessary to implement these contract amendments.

The Committee considered the Proposed Local Zoning Analysis Chapter of the County Comprehensive Plan. Thyra Karlstrom, Planner, was present and explained that in accordance with the adoption requirements of Public Act 33 of 2008 (Michigan Planning Enabling Act), the Marquette County Planning Commission is submitting the proposed Local Zoning Analysis chapter of the County Comprehensive Plan to the County Board for review, comment, and approval for the distribution of the document.

A Zoning Plan is a requirement under the Michigan Zoning Enabling Act (PA 110 of 2006). Marquette County does not have its own zoning and therefore is not required to have a zoning plan. However, the County must rely on the zoning ordinances of the other local units of government to implement the many land use components of the County's Comprehensive Plan. This plan is a review of local zoning ordinances and their potential impact upon the county. It provides background information, and identifies strengths and weaknesses in local ordinances. It identifies ways that the County, through the Planning Division of the Resource Management/Development Department can provide assistance to local units.

The Act 33 requires the legislative body's approval prior to the distribution of a proposed planning document. Subsequent to the approval of distribution, the process of adoption can proceed and the public review period can begin. The Act requires a minimum review period of 63 days for new plans. A public hearing is then held to allow for further comment. After the public hearing, the Planning Commission can consider adoption of the chapter. The County Board may submit comments as well during this review period. A copy of the Local Zoning Analysis chapter is available in the Commissioners' library.

The Marquette County Planning Commission respectfully requests approval to distribute this chapter. The earliest possible public hearing date is the September 1, 2010 Planning Commission meeting.

It was moved by Comm. Arsenault, seconded by Comm. Bergdahl, and unanimously carried by voice vote, that the Committee of the Whole recommend the County Board approve distribution of the Proposed Local Zoning Analysis Chapter of the County Comprehensive Plan to local units of government and other service providers as required by Public Act 33.

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Chairperson Corkin opened the meeting for public comment. None was forthcoming.

COMMISSIONER COMMENTS, STAFF COMMENTS AND ANNOUNCEMENTS

Chairperson Corkin thanked those Commissioners who attended the U.P. Jobs Rally that was held on Saturday, June 19, 2010. He also announced that the Marquette County Road Commission won the KK Bridge lawsuit, and the Schoolcraft County Board was successful with their lawsuit involving the Schoolcraft County Sheriff.

Comm. Joseph announced that the federal government is mandating that all safety and road signs be replaced on all highways by January 2015. Estimated cost is \$1.5 million. Comm. Arsenault and Comm. Bergdahl also commented on this mandate.

Comm. Bergdahl announced that the 1st Stock Car Race was held at the U.P. State Fairgrounds in Escanaba. The event raised over \$25,000. The Grandstand was filled to capacity.

Comm. Cihak questioned the status of his suggestion to invite elected officials and department heads to a Board meeting to present an update of their department. The Drain Commissioner and the Landfill Director are scheduled to attend.

Comm. Cihak commented on a message received from MAC regarding HB6154 and SB 1072 (Binding Arbitration Reform Bills). Both bills would have an additional unfunded mandate on counties. The Bills will expand binding arbitration to county employees and increase costs on local units of government. Comm. Cihak requested comments from Staff. Administrator Powers and Chairperson Corkin are in constant communication with MAC, however all Commissioners are encouraged to make comments.

Administrator Powers reminded Commissioners of the Business after Hours on Wednesday, June 23, 2010 at Tailwinds. The event will be sponsored by Telkite Technology Park, Sawyer International Airport, Argonics and Checker Cab of Marquette.

Chairperson Corkin announced that the Democratic Picnic is scheduled for Saturday, June 26, 2010 at Al Quaal in Ishpeming.

It was announced that no meeting of the County Board is scheduled for Tuesday, June 29, 2010.

Happy 4th!!!

There being no further business to come before the Committee of the Whole, the meeting adjourned at approximately 7:30 P.M.

Respectfully Submitted,



Connie M. Branam
County Clerk